

Bulletin LIRC 93-05

DATE: SEPTEMBER 20, 1993

**TO: ALL PROPERTY AND CASUALTY INSURANCE COMPANIES AND
RATING ORGANIZATIONS MAKING RATE AND RULE FILINGS IN
LOUISIANA**

**RE: R.S. 22:635.2
R.S. 22:652.2
R.S. 22:1404(3)(e)
R.S. 22:1472**

The purpose of this bulletin is to set forth directives of the Louisiana Insurance Rating Commission (LIRC) regarding the above-referenced statutes.

A. R.S. 22:635.2

Act 205 of the 1993 Regular Session of the Louisiana Legislature (copy attached), which enacted R.S. 22:635.2, became effective August 15, 1993. This Act stipulates that no insurer shall increase the premium charged for automobile liability insurance in Louisiana solely on the grounds that the insured has attained the age of sixty-five (65) or older.

Therefore, LIRC hereby directs all companies with rates and rules on file with LIRC for private passenger or commercial liability coverage for motor vehicles:

1. To notify LIRC, within sixty (60) days, (by U.S. mail), whether a filing has been made with LIRC complying with this statute.
2. If such a filing has previously been made and approved by LIRC, provide LIRC within sixty (60) days, (by U.S. mail), the date of the filing, the effective date of implementation, and a copy of LIRC's approval letter.
3. If such a filing has not previously been made and approved by LIRC, then rates and rules which comply with R.S. 22:635.2, should be filed within sixty (60) days.

If a company does not have rates and rules on file with LIRC for private passenger or commercial liability coverage for motor vehicles, the company should notify LIRC within sixty (60) days, (by U.S. mail), that this statute does not apply.

B. R.S. 22:652.2

Act 552 of the 1993 Regular Session of the Louisiana Legislature (copy attached), which amended and enacted R.S. 22:652.2, became effective August 15, 1993. This Act stipulates, among other provisions, that no insurer shall refuse to issue or renew, increase the premium, or cancel an automobile insurance policy in Louisiana solely because the insured is deaf or hard of hearing, provided such person is mentally and physically capable of driving an automobile and possesses a valid Louisiana operator's license.

Therefore, LIRC hereby directs all companies with rates and rules on file with LIRC for private passenger or commercial automobile insurance:

1. To notify LIRC, within sixty (60) days, (by U.S. mail), whether a filing has been made with LIRC complying with this statute.
2. If such a filing has previously been made and approved by LIRC, provide LIRC within sixty (60) days, (by U.S. mail), the date of the filing, the effective date of implementation, and a copy of LIRC's approval letter.
3. If such a filing has not previously been made and approved by LIRC, then rates and rules which comply with R.S. 22:652.2, should be filed within sixty (60) days.

If a company does not have rates and rules on file with LIRC for private passenger or commercial automobile insurance, the company should notify LIRC within sixty (60) days, (by U.S. mail), that this statute does not apply.

C. R.S. 22:1404(3)(e)

Act 654 of the 1992 Regular Session of the Louisiana Legislature, which enacted R.S. 22:1404(3)(e) (copy attached), became effective August 21, 1992. This Act stipulates that every carrier who issues comprehensive insurance coverage on a motor vehicle in Louisiana shall grant an actuarially justified discount when the vehicle identification number is etched into all of the windows of the motor vehicle. On July 22, 1992, the Insurance Rating Director sent a memorandum to every property and casualty insurance company operating in the state of Louisiana, directing all carriers who afford

automobile comprehensive coverage to file a program offering the window etching discount. According to LIRC records, few companies complied with this statute.

Therefore, LIRC hereby directs all companies with rates and rules on file with LIRC for private passenger or commercial comprehensive coverage for motor vehicles:

1. To notify LIRC, within sixty (60) days, (by U.S. mail), whether a window etching discount has been filed with LIRC.
2. If the discount has been previously filed and approved by LIRC, provide LIRC within sixty (60) days, (by U.S. mail), the date of the filing, the effective date of implementation, and a copy of LIRC's approval letter.
3. If such a filing has not previously been made and approved by LIRC, then rates and rules which comply with R.S. 22:1404(3)(e), should be filed within sixty (60) days.

If a company does not have rates and rules on file with LIRC for private passenger or commercial comprehensive coverage for motor vehicles, the company should notify LIRC within sixty (60) days, (by U.S. mail), that this statute does not apply.

D. R.S. 22:1472

Act 41 of the 1993 Regular Session of the Louisiana Legislature (copy attached), which enacted R.S. 22:1472, became effective August 15, 1993. This Act stipulates that no insurer shall charge a higher premium rate, increase or add a surcharge, cancel, or fail to renew an automobile insurance policy in Louisiana based solely upon the insured's activities as a volunteer fireman.

Therefore, LIRC hereby directs all companies with rates and rules on file with LIRC for private passenger automobile insurance:

1. To notify LIRC, within sixty (60) days, (by U.S. mail), whether a filing has been made with LIRC complying with this statute.
2. If such a filing has previously been made and approved by LIRC, provide LIRC within sixty (60) days, (by U.S. mail), the date of the filing, the effective date of implementation, and a copy of LIRC's approval letter.
3. If such a filing has not previously been made and approved by LIRC, then rates and rules which comply with R.S. 22:1472, should be filed within sixty (60) days.

If a company does not have rates and rules on file with LIRC for private passenger automobile insurance, the company should notify LIRC, within sixty (60) days, (by U.S. mail), that this statute does not apply.

Please note the attached copy of R.S. 22:1447, which specifies that LIRC may levy and collect a fine up to \$ 25,000 against a company or rating organization found in non-compliance with LIRC directives, after a proper hearing.

Attachments

LOUISIANA INSURANCE CODE
TITLE 22

OF THE
LOUISIANA REVISED STATUTES

Regular Session, 1993

ENROLLED

SENATE BILL NO. 9

BY SENATORS COX, CRAVINS AND LANDRY AND REPRESENTATIVES MURRAY AND WILKERSON
AN ACT

To enact R.S. 22:635.2, relative to rates charged for automobile liability insurance coverage; to prohibit premium increases to policyholders based solely on having attained the age of sixty-five or older; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:635.2 is hereby enacted to read as follows:

§635.2. Automobile insurance policies; increase in premium; age discrimination

No insurer shall increase the premium charged for an automobile liability insurance policy for any insured solely on the grounds that the insured has attained the age of sixty-five or older.

Regular Session, 1993

ENROLLED

SENATE BILL NO. 885

BY SENATORS GUIDRY, LANDRY AND MORIAL

AN ACT

To amend and reenact R.S. 22:652.2, relative to discrimination, to prohibit insurer from refusing to issue or renew, increasing the premium, or canceling an insurance contract because the insured is deaf or hard of hearing; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:652.2 is hereby amended and reenacted to read as follows:

§652.2. Discrimination in automobile liability insurance prohibited

A. No insurer shall refuse to issue or renew, increase the premium, or cancel an automobile insurance policy solely because the insured is deaf or hard of hearing, provided such person is mentally and physically capable of driving an automobile and possesses a valid Louisiana operator's license issued by the office of motor vehicles in the Louisiana Department of Public Safety and Corrections.

B. Where the owner of the covered vehicle has a physical or mental handicap that prevents him from operating his own motor vehicle, an insurance company issuing a policy of motor vehicle liability insurance shall not require the operator of the vehicle to carry liability insurance.

§1404. Making of rates

All rates shall be made in accordance with the following provisions:

(1) Due consideration shall be given to past and prospective loss experience within and outside this state, to catastrophe hazards, if any, to a reasonable margin for underwriting profit and contingencies, to dividends, savings or unabsorbed premium deposits allowed or returned by insurers to their policyholders, members or subscribers, to past and prospective expenses both countrywide and those specially applicable to this state, and to all other relevant factors within and outside this state.

(2) Rates shall not be excessive, inadequate or unfairly discriminatory.

(3) Rates for casualty insurance to which this Part applies shall also be subject to the following provisions:

(e) An insurer who delivers or issues for delivery in this state comprehensive insurance coverage on a motor vehicle shall grant an actuarially justified discount in the amount approved by the Louisiana Insurance Rating Commission in the premiums charged for the comprehensive insurance for any motor vehicle when the vehicle identification number of the vehicle is etched into all of the windows of such motor vehicle. The letters and numbers of the vehicle identification number shall be no smaller than one-eighth of an inch and shall be nonremovable and permanent.

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Regular Session, 1993

ENROLLED

HOUSE BILL NO. 199

BY REPRESENTATIVES DEVILLE, PATTI, AND TOOMY

AN ACT

To enact R.S. 22:1472, relative to automobile insurance policies; to prohibit insurers from charging a higher premium rate, adding a surcharge, cancelling, or failing to renew an automobile insurance policy based solely upon the insured's activities as a volunteer fireman; and to provide for related matters.

Be it enacted by the Legislature of Louisiana:

Section 1. R.S. 22:1472 is hereby enacted to read as follows:

§1472. Automobile policies; discrimination against volunteer firemen prohibited

No insurer doing business in this state who issues a personal automobile insurance policy to an insured who is a volunteer fireman shall charge a higher premium rate, increase or add a surcharge, cancel, or fail to renew a policy for the insured, based solely on the insured's activities as a volunteer fireman.

§1447. Failure to comply with written orders or directives; penalties

If any insurance company or rating organization fails to comply with a written directive or order issued by the Louisiana Insurance Rating Commission pursuant to this Part within thirty days of the issuance thereof, the Louisiana Insurance Rating Commission may levy and receive a fine of up to twenty-five thousand dollars. The penalty shall not be imposed until such time that the Louisiana Insurance Rating Commission makes a finding that the penalty is warranted in a proper hearing, held in the manner provided in Part XXIX of Chapter 1 of this Title.

Added by Acts 1978, No. 524, §1; Acts 1987, No. 313, §1; Acts 1990, No. 647, §1.

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